



January 9, 2019

Dear Councilwoman Mendell,

Thank you for voicing your concerns about Bird's increased fares. While we appreciate your position regarding shared e-scooters, we would like to respond to your characterization of our business which we believe is not rooted in the truth or context required to understand how we arrived at this difficult decision.

The fast math you provided in defense of the regulations on e-scooters is flawed because it mischaracterizes the length of the encroachment agreement and fails to address a number of important considerations. For example, along with the required fee of \$300 per vehicle, City Council also drastically reduced the number of e-scooters allowed in the city, while simultaneously inflating the required insurance premiums needed to cover the reduced fleet size. There are many fixed costs associated with running a business, and economies of scale dictate that smaller fleets are more expensive to maintain.

According to conversations with the Raleigh Department of Transportation, the \$300 per vehicle fee does not cover a year of our service, but only 3-4 months from the time the master encroachment agreement went into place while the city evaluates the program and issues a formal RFP. The \$300 fee number is not based upon budgetary studies or incident report data, and it was never previously communicated to e-scooter providers that it would apply retroactively.

Further, we want to make clear once again that the \$300 fee per vehicle, as well as the exorbitant insurance requirements, are the highest and most burdensome in the nation. The average fee other cities are imposing per e-scooters is one tenth of what Raleigh is enforcing.

Lastly, we want to correct the record and clarify that Bird is not advocating for a fee of \$100 per scooter per year — a number that would still be one of the highest in the country. Simply, Bird is advocating for an elimination of the current fee structure so that Bird rides can once again be a low-cost, equitable option to the people of Raleigh.

It is true that we asked supporters of affordable mobility options in Raleigh to reach out to their City Council representatives regarding these fees — something that is their right and privilege as constituents, and something that is your duty as an elected official to receive. Residents throughout Raleigh support Bird and do not want to see our service taxed to death. In less than 48 hours since our fee increase was announced, more than 600 individuals sent messages to their representatives protesting the City Council's regulations on e-scooters. We hope you and the City Council will not ignore their pleas and work with us to establish a framework that is suitable for your community.

The people we serve, and the people who wrote to you, are part of our community. We care for them immensely and are not "taking advantage" of them as you've written. It is our unequivocal mission to provide an affordable option to them because we believe no one should have to pay a premium for sustainable transportation alternatives. The City Council's fee structure is what forced Bird to raise prices.

Our business was founded because communities need access to affordable, environmentally friendly options to help get cars off the road and reduce carbon emissions. We believe that you agree with this reality, and we hope you will work with us to have the Raleigh City Council eliminate the high fees and modify insurance requirements so we can once again equitably provide our option in your city.

There is an easy way to remedy this situation, and we would love to discuss actions that can be taken to immediately improve Bird's service in Raleigh. For instance, should the Raleigh City Council decide tomorrow to abandon these burdensome regulations, Bird would waste no time eliminating the added \$2 unlock fee.

We don't have time to waste. The climate crisis facing all of us demands immediate action, and we need our cities to be aggressively encouraging the embrace of environmentally friendly transportation options such as Bird. Yesterday, a new report revealed America's carbon dioxide emissions increased by 3.4 percent in 2018 — the biggest increase in eight years. Transportation is one of the biggest sources of this rise in emissions, and yet Raleigh is opting to limit Bird's (and others') ability to help reduce these emissions.

We urge you to work with us and revisit your position on e-scooters, and we are eager to meet with you and your colleagues to come to a resolution that puts the people of Raleigh first. Bird is offering a service that can help Raleigh meet its climate goals and stand out as a leader in innovation and transportation alternatives.

We hope you will work with us to find a better path forward.

Respectfully,

Servando Esparza

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